

MEMORANDUM OF UNDERSTANDING

Between
Oregon Department of State Lands
and
Oregon State University

This MOU is between the State of Oregon acting by and through its Oregon Department of State Lands (“Department”) and Oregon State University (“University”), each a “Party” and, together, the “Parties”, and is effective the date of last signature (the “Effective Date”).

I. PURPOSE

The purpose of this MOU is to provide the framework for collaboration between the Parties in investigating and developing a plan outlining the feasibility of converting Elliott State Forest into a research forest (the “Elliott State Research Forest”) managed by the University’s College of Forestry. It is the shared goal of the University and Department to undertake the work contemplated by this MOU and present the results in the form of a plan to the State Land Board (the “Board”) in December 2019.

II. BACKGROUND AND AGREEMENTS

In May 2017, the Board voted to keep Elliott State Forest in public ownership and directed the Department to move forward with a public ownership project for Elliott State Forest. In December 2018, the Board unanimously directed the Department to work with the University to develop a plan for transforming Elliott State Forest into a research forest. Board members also noted the importance of continuing to involve tribes, local governments, other state agencies, and other key stakeholders in development of a plan.

In December 2018, the Board approved a declaration to implement the statute enacted by the Oregon Legislature in 2017 that provides \$100 million in bonding to decouple Elliott State Forest from the Common School Fund or compensate the fund for preservation of noneconomic benefits.

The Parties understand that the University is neither capable of nor interested in assuming debt service obligations for \$120.8 million (the remainder of the appraised value of Elliott State Forest of \$220.8 million after the deduction of the \$100 million in bonding). This MOU establishes no obligation to purchase, and by undertaking the work outlined in this MOU the University is not committing to continued participation in Department or Board processes related to Elliott State Forest beyond 2019.

III. ELLIOTT STATE RESEARCH FOREST

The University will exercise good faith efforts to develop a plan in collaboration with the Department for establishing Elliott State Research Forest. The plan will be developed with engagement with the tribes, local governments, other state agencies, and other key stakeholders and be consistent with the direction of the Board to:

- Keep Elliott State Forest publicly owned with public access;
- Decouple Elliott State Forest from the Common School Fund, compensating the school fund for Elliott State Forest and releasing Elliott State Forest from its obligation to generate revenue for schools;
- Continue habitat conservation planning to protect species and allow for harvest; and
- Maintain a working forest that provides local and community benefits (collectively, “Board Vision”)

The Parties will examine different mechanisms for structuring ownership and management consistent with the Board Vision. Revenue sources and funding mechanisms will be examined to determine options for accomplishing the necessary decoupling and payment of approximately \$120.8 million to the Common School Fund.

The Parties agree that generating timber harvest revenue, sufficient to support the forest and contribute to local economies, will be an important component of the plan. Assessment of timber harvest scenarios in relation to Habitat Conservation Plan (HCP) options and other public values will be accomplished as part of preparing the plan. Additional community partnerships will be investigated through extensive engagement of diverse groups and entities interested in the future of Elliott State Forest.

The plan will:

- Include a timeline for submitting an HCP, a process to continue engaging stakeholders on the range of public benefits the forest provides, including recreation access, conservation, working forest research, and a proposed governance structure for continued representation of public values after decoupling.
- Identify key conservation values collectively using a number of different mechanisms including but not limited to the HCP, a carbon sequestration program, a forest management plan with specified harvest practices that incorporate ecological forestry principles, and potential establishment of funded conservation easements.
- Establish a vision as to how the Elliott State Research Forest can be part of a University research program that can provide critical information to address emerging threats to the management and conservation of forests, and at-risk species in Oregon and beyond. The research program must allow for research at a spatial and temporal scale in order to assess and address emerging threats to forests from changing climate, and on the relationship between active forest stand management and conservation of at-risk species.

IV. PARTNER COMMITMENTS

The Parties will provide support to the efforts described above through the following listed activities. In addition, the Parties will coordinate work efforts, and share plans and updates on progress.

A. Duties of Department

1. Continue to provide custodial management of Elliott State Forest through the Term of this MOU, consistent with potential future use as a research forest.

2. Lead the work with federal listing agencies to frame and complete an HCP for Elliott State Forest pursuant to the federal Endangered Species Act, and consistent with a research forest use.
3. Sponsor and organize a robust process designed to provide transparency for the planning process, and opportunities for stakeholders to provide meaningful input on multiple issues of importance to the process, including the HCP and decoupling of Elliott State Forest from the Common School Fund.
4. Execute an Inter-Governmental Agreement with the University to support reasonable costs associated with University participation in undertaking and completing work under this MOU.

B. Duties of University

1. Provide a draft Elliott State Research Forest Charter characterizing key attributes for a research program that will recognize the importance of healthy, working forests to Oregon's culture, ecosystems, and economy while taking into account the Board Vision.
2. Investigate and identify potential financial and other contributions needed for self-sustaining and sustainable management of the forest consistent with research objectives and the Board Vision.
3. Undertake select outreach to the community and to other stakeholders regarding key management and operational objectives for a research forest, and report back relevant results of that outreach to the Department's stakeholder process.
4. Actively seek, with the support of the Department, tribal engagement to investigate how a research forest might be structured or managed to incorporate and accomplish a vision(s) for the Elliott State Forest held by tribal governments. To the extent feasible, the University will suggest to the Department opportunities for incorporating such a vision in the Elliott State Research Forest Charter.
5. Actively engage in and support the development of the HCP, including contributing technical expertise to reduce conflicts between HCP protocols, potential forest operations/management and using the forest as a research forest.
6. Share draft agreements, including scope of work, for any contracts the University plans to execute in relation to plan development. Provide Department the opportunity to review and comment on draft deliverables produced by consultants related to the plan.

C. Shared Duties of the Department and University

1. The Parties will coordinate and share responsibility for transparent and open communications with the media and public on matters associated with development of the plan. Each will provide the other with notice of any media inquiries or public records requests related to development of the plan. Both will provide the other with a draft of any press release intended for release at least 24 hours prior to release and will consider any comments on the draft press release before issuance.
2. The Parties will coordinate and share all information, data, modeling results, and expertise related to evaluating and developing the financial aspects of the plan.
3. Outreach to shape tribal engagement in planning discussions for the plan is a responsibility shared by both Parties, with the University primarily focused as described above.

4. The Parties will coordinate their investigation of potential legal mechanisms to accomplish decoupling from the Common School Fund including but not limited to potential for land trust transfer. Said coordination, however, is not intended to imply or require waiver of attorney-client privilege available to either the Department or University.

V. ADMINISTRATION


- A. Changes to the scope of this MOU shall be made by mutual consent of the Parties, by the issuance of a written modification, signed and dated by all parties, prior to any changes being performed.
- B. This MOU is valid through December 31, 2019 (the "Term"). Extensions of the MOU require the signed agreement of each Party.
- C. Either Party may immediately terminate the MOU by providing the other Party with written notice at any time before the expiration of the Term.
- D. This MOU is not a funds obligation document. Any endeavor to transfer anything of value involving reimbursement or contribution of funds between the parties will be handled through a separate agreement in accordance with applicable laws, regulations, and procedures.
- E. Each Party is responsible, to the extent required by law (including the Oregon Tort Claims Act, ORS 30.260-30.300) only for the acts, omissions, or negligence of its own officers, employees or agents.

VI. LIST OF CONTACTS/NOTICES

- A. Oregon Department of State Lands
Vicki L. Walker, Director
775 Summer St. NE
Salem, OR 97310
503-986-5200
- B. Oregon State University College of Forestry
Geoff Huntington, Director of Strategic Initiatives
109 C Richardson Hall
Corvallis, OR 97331
541-737-9103

VII. SIGNATURES

IN WITNESS WHEREOF, the parties have executed this MOU as of the last date written below.

Sign: 

Print Name: Vicki L Walker

Title: Director

Department Name: Dept of State Lands

DATE: 2/5/19

Sign: 

Name: Michael J. Green

Title: Vice President for Finance and Administration and Chief Financial Officer

University Name: Oregon State University